

**Warren D. Hannah**Director, Federal Regulatory Relations

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May 20, 1997

MAY 20 1997

Federal Communications Commission
Office of Secretary

Mr. William F. Caton, Acting Secretary Federal Communications Commission 1919 M Street, NW, Room 222 Washington, DC 20554

RE: CC Docket No. 96-128

Sprint Local Telephone Companies' May 19, 1997, submission in the above referenced matter was erroneously submitted. Please substitute the attached for the May 19, 1997, submission in its entirety.

If you have any questions or concerns, please feel free to call me on (202) 828-7452.

Sincerely,

Warren D. Hannah

Attachment

Harral/MIM



May 19, 1997

Mr. William F. Caton, Acting Secretary Federal Communications Commission 1919 M. Street, NW, Room 222 Washington, DC

RE: CC Docket No. 96-128

Federal Communications Commission Office of Secretary

Dear Mr. Caton:

On May 15, 1997, the North Carolina Utilities Commission ("NCUC") issued an Order in Docket No. P-100, Sub 84b dismissing the North Carolina Payphone Association's petition and directing filings related to the deregulation of payphone services. In this Order, the NCUC concluded it was unable to review the existing Public Telephone Access Services ("PTAS") tariffs, and consequently directed the North Carolina LECs to file the applicable "new services" tests with the FCC. This option is specifically authorized in Paragraph 163 of the FCC's Reconsideration Order (CC Docket No. 96-128, FCC 96-439, released November 8, 1996), which states that "Isltates unable to review these tariffs may require the LECs operating in their state to file these tariffs with the Commission."

In compliance with the North Carolina Utilities Commission's Order, Carolina Telephone and Telegraph Company and Central Telephone Company (Sprint) hereby submit the "new services" tests for payphone lines to the FCC. The "new services" tests for coin control and answer supervision were previously submitted to the FCC in Sprint Local Telephone Companies Tariff F.C.C. No. 1, Transmittal No. 32, filed on May 16, 1997.

Should you have any questions or wish to discuss this matter, please contact Warren Hannah at (202) 828-7452.

Sincerely,

C. Steve Parrott

Mr. William F. Caton May 19, 1997 Page 2

cc: Ms. Geneva Thigpen, Chief Clerk
North Carolina Utilities Commission
PO Box 29510
Raleigh, NC 27626-0510

Mr. Gene A. Clemmons, Director Communications Division - Public Staff North Carolina Utilities Commission PO Box 29510 Raleigh, NC 27626-0510 Company: CENC

Element: Access Line	No	n-Toll	PROI	PRIFTARY	INFORMATION
	Loop	+ Switch	1 1101	((15))	
A. Investment (Part 69 Cost Allocation)					
1 General Support Facilities Allocated	<sup></sup> 13	,940,700			
2 COE Switching & Subscriber Loop	88,810,068				
3 IOT Investment Excl. Coin	1	,625,740			
4 C&WF Cat. 1 Subscriber OSP	101	,015,260			
5 Other Investment Allocated		,512,927)			
	•	•			
6 Accumulated Depreciation/Amortization	(72	,959,165)			
7 Deferred Tax Reserves	(25,533,174)				
	•	•			
8 Net Investment	97	,386,502			
B. Annual Cost. (Part 69 Cost Allocation)				% Total	
			<u>lt</u>	<u>vestment</u>	
9 Maintenance Expenses	23	,453,442		11.97%	
10 Depreciation Expenses	13,805,451			7.05%	
11 Customer Service Expenses	3,617,456			1.85%	
12 Corporate Operations Expenses	7,608,850			3.88%	
13 Other Taxes & Misc. Expenses	1,089,214			0.56%	
13 Return (11.25%) less AFUDC	10,771,443			5.50%	
14 Federal & State Income Taxes	4,522,656			2.31%	
15 Total Annual Cost (L9 thru L14)	64,868,510			33.12%	
10 Total Alliadi Gost (Es tilla E14)	0-	7,000,010		JU. 12 /	
16 Total Switched Access Lines		248,427			
		,			
17 Annual Cost Per Line	\$	261.12			
Monthly Cost Per Line	\$	21.76			
, Cook of Line	•				
C. Pricing / New Services Test - 61.49(h)					
	1888				
18 Monthly Direct Cost	5	21 7A	PRICE FLOOI	2	
	***** <b>*</b> *****				
19 a) Proposed Average Fial Rate	\$	17.81			
b) Proposed Average Measured Usage	Ċ.	18.33			
c) Total Proposed Monthly Rate	-	::::::::::::::::::::::::::::::::::::::			
c) rotal Proposed Wolldily Rate	\$	36.14			
	D:-	ect Cost /	Direct Cost/		
			Direct Cost/		
20 New Conince Test (64 40/h))		Invest	Rate		
20 New Services Test (61.49(h))		0.3312	0.6021		
		Annible	<b>A</b>	Monthly	Annual
	·	Monthly	@ Bata	Monthly	Annual

21 Annual Projection of Revenues

23 Annual Traffic/Revenue Effect

22 Annual Projection of Costs

Units

1,808 \$

1,808 \$

Rate

**Amount** 

36.14 \$ 65,341

21.76 \$ 39,342

Amount

\$ 784,093

\$ 472,100

\$ 25,999 \$ 311,994

## **New Services Test**

Company: CT&T

Company: C1&1			
Element: Access Line	Non-Toll Loop + Switch	PROPRIETARY	INFORMATION
A. Investment (Part 69 Cost Allocation)			
1 General Support Facilities Allocated	99,867,883		
2 COE Cat. 4.13 Circuit Equipment	388,751,424		
3 IOT Investment Excl. Coin	4,728,926		
4 C&WF Cat. 1 Subscriber OSP	409,795,148		
5 Other Investment Allocated	14,310,790		
6 Accumulated Depreciation/Amortization	(461,594,495)		
7 Deferred Tax Reserves	(66,066,624)		
8 Net Investment	389,793,051		
B. Annual Cost. (Part 69 Cost Allocation)		% Total	
		Investment	
9 Maintenance Expenses	97,024,222	10.58%	
10 Depreciation Expenses	83,622,899	9.11%	
11 Customer Service Expenses	13,384,678	1.46%	
12 Corporate Operations Expenses	25,190,206	2.75%	
13 Other Taxes & Misc. Expenses	(1,675,590)	-0.18%	
13 Return (11.25%) less AFUDC	42,833,919	4.67%	
14 Federal & State Income Taxes	21,705,218	2.37%	
15 Total Annual Cost (L9 thru L14)	282,085,551	30.75%	
16 Total Switched Access Lines	1,043,356		
17 Annual Cost Per Line	\$ 270.36		
Monthly Cost Per Line	\$ 22.53		
C. Pricing / New Services Test - 81 49(h)			
18 Monthly Direct Cost	\$ 22,53 PR	ICE FLOOR	
19 a) Proposed Average Fiat Rate b) Proposed Average Measured Usage	\$ 16.99 \$ 15.54		
c) Total Proposed Monthly Rate	\$ 32,53		
		irect Cost/	
20 New Sections Took (64, 40/h))	<u>Invest</u>	Rate	
20 New Services Test (61.49(h))	0.3075	0.6926	
	Monthly	@ Monthly	Annual
	Units	Rate Amount	Amount
21 Annual Projection of Revenues	7,631 \$	32.53 \$ 248,236	\$ 2,978,837
22 Annual Projection of Costs	7,631 \$	22.53 \$ 171,929	\$ 2,063,145
23 Annual Traffic/Revenue Effect		\$ 76,308	\$ 915,692
		•	•